

MINUTES
State Allocation Board
May 25, 2005

Upon notice duly given, the monthly meeting of the State Allocation Board was held in Room 126 of the State Capitol, Sacramento, California on May 25, 2005 at 4:00 p.m.

Members of the Board present were as follows:

- Anne Sheehan, Chief Deputy Director, Policy, Department of Finance, designated alternate for Thomas Campbell, Director, Department of Finance
- Rob Cook, Deputy Director, Interagency Support Division, Department of General Services, designated alternate for Ron Joseph, Director, Department of General Services
- Kathleen Moore, Director, School Facilities Planning Division, California Department of Education, designated representative for Jack O'Connell, Superintendent of Public Instruction
- Rosario Girard, President and CEO, Phoenix Construction Services, Inc., appointee of Arnold Schwarzenegger, Governor of the State of California
- Senator Bob Margett
- Senator Alan Lowenthal
- Senator Jack Scott
- Assembly Member Lynn Daucher
- Assembly Member Jackie Goldberg
- Assembly Member Gene Mullin

Representatives of the State Allocation Board (SAB) were as follows:

Luisa M. Park, Executive Officer
Mavonne Garrity, Assistant Executive Officer

Representative of the Department of General Services, Office of Public School Construction (OPSC), was as follows:

Luisa M. Park, Executive Officer
Dave Zian, Manager, Fiscal Services/Program Services

Representative of the Department of General Services, Office of Legal Services, was as follows:

Garry Ness, Assistant Chief Counsel

With a quorum present, Ms. Sheehan, Chair, called the meeting to order at 4:05 p.m.

PRIOR MINUTES

A motion was made and carried to approve the Minutes for the May 3, 2005 SAB meeting. It was noted that Assembly Member Gene Mullin abstained from voting on the Minutes.

CONSENT ITEMS

In considering this item, the Board approved the consent calendar as presented.

FINANCIAL REPORTS

Status of Funds

The Board accepted the Status of Funds report as presented. Assembly Member Goldberg requested the California Department of Education to review the sufficiency of funding provided to county superintendents of schools to perform verification of availability of instructional materials as required by Senate Bill 550.

SPECIAL CONSENT ITEMS***Deferred Maintenance Program Extreme Hardship Project Time Extension***

In considering this item, the Board approved the staff's recommendation.

Needles Unified/San Bernardino 51/67801-00-01

In considering this item, the Board approved the staff's recommendations.

San Rafael City Elementary/Marin 58/65458-00-01

In considering this item, the Board approved the staff's recommendation.

Sequoia Union High/San Mateo 51/69062-00-01

In considering this item, the Board approved the staff's recommendation.

Sequoia Union High/San Mateo 57/69062-00-01

This item was withdrawn at the request of the District.

SPECIALS/APPEALS***East Side Union High/Santa Clara 92/69427-00-00***

Mr. Richard Gonzales, consultant for the District, addressed the Board. The Board approved staff Recommendations Nos. 1 and 3, along with a modified Recommendation No. 2 and the inclusion of a new Recommendation No. 4. The modified Recommendation No. 2 and the new Recommendation No. 4 reads as follows:

2. Approve the District's request for a refund of the 2003/04 Fiscal Year Unused Site Assessment fee of \$73,892 after confirmation from the East Side Union High School District that they transferred all of the Quimby Road property site sale proceeds into the Fund 40 (Special Reserve for Capital Outlay Projects). Once the site funds are deposited, the District may use the funds for the following purposes:
 - a) To make the District's School Facility Program (SFP) three percent Routine Restricted Maintenance deposits.
 - b) To make the District's Deferred Maintenance Program (DMP) matching share for their basic participation requirements.
 - c) To use any remaining site sale proceeds of the Quimby Road property in a manner authorized by Education Code Section 17462.
4. Require the East Side Union High School District to use funding that was previously used to make the SFP and DMP deposits for only those purposes authorized in law.

Further, the Board directed staff to 1) immediately advise all school districts and county offices of education of the current Education Code requirements relating to the sale of school sites and the need to notify the OPSC of such actions; and 2) bring forth recommendations at a future Board meeting concerning placement of liens against any property once a district participates in a State's School Facility Program. The Board also requested information on how districts obtain independent status in lieu of oversight by their county offices of education.

REGULATIONS/POLICY**Small High School Program Funding**

This item was withdrawn.

REPORTS***Los Angeles Unified School District Plan***

Mr. David Thorman, State Architect with the Division of the State Architect (DSA), presented a report to the Board which was requested by the Board at the May 3, 2005 SAB meeting. The Board accepted the report with a request that the DSA/OPSC report back at a future SAB meeting with information on: 1) what constitutes a complete set of plans for review; 2) suggestions for efficient plan design to reduce the cost of school construction; and 3) considerations for the DSA to allow local building departments to conduct some of the inspections.

Update on Schools Not Funded Under the Charter School Facility Program

Ms. Noemi Garcia Reyes, principal of MACSA El Portal, Ms. Vedany Escadero, a senior at MACSA El Portal, and Mr. Luis Aldano, a sophomore at MACSA El Portal, addressed the Board. The Board accepted the report as presented. In addition, the Executive Officer informed the Board that \$49 million in federal funding would be made available through the State Treasurer's Office, specifically the California School Finance Authority, and perhaps the school districts or charter schools that did not receive funding from Proposition 55 will have an opportunity to qualify for the federal funding.

2/3 Vote of Transferring Critically Overcrowded School Funds

This item was withdrawn.

Financial Hardship Projects Bidding Issues

Mr. Tom Duffy, representing the Coalition for Adequate School Housing (CASH), addressed the Board. The Board accepted the report and requested staff to work with the SAB Implementation Committee to determine if financial hardship districts are building complete schools. The concern that was raised is that districts that are financially capable of funding their share and more are building complete schools, while financial hardship districts are not. In addition, staff was directed to contact the districts that did not respond to the survey to assure that the report is reflective of the current bid climate for financial hardship districts.

Conversion from the Lease-Purchase Program to the School Facility Program

Mr. Tom Duffy, representing CASH, presented the report to the Board. The Board accepted the report and suggested that through the SAB Implementation Committee and/or perhaps an ad hoc group that includes various stakeholders from the industry to review the following:

- Data from CASH regarding the conversion from the Lease-Purchase Program (LPP) to the School Facility Program (SFP).
- Whether general site development grants were omitted when the LPP converted to the SFP.
- Whether an additional grant for general site development could be reinstated through regulation, if appropriate.

INFORMATION/REFERENCE

Remaining Board Meeting Dates for the Calendar Year 2005

School Facility Program Workload List - Applications Received Through May 2, 2005

Facility Hardship/Rehabilitation Approvals without Funding List as of May 3, 2005

MISCELLANEOUS

Mr. Chris Walker, on behalf of the Automotive Repair Coalition, the California Association of Sheet Metal and Air Conditioning Contractors, and the California Industrial and Technology Education Association, addressed the Board regarding career technical education facilities. The Board directed staff to provide a report to determine whether school districts are complying with the statutory requirements as provided in law (AB 16, Chapter 33, Statutes of 2002) for considering the need for career technical facilities. The Board suggested that Mr. Walker and his group meet with staff and go through what the process is, and what could be done to improve the process in order to verify compliance with this requirement.

CLOSED SESSION

The Board convened into closed session pursuant to Government Code Section 11126(e)(1) for the purpose of conferring with and receiving advice from counsel regarding East Side Teacher's Association vs. California Department of General Services, OPSC, and the SAB.

Upon conclusion of the closed session, the Board reconvened into open session at 6:00 p.m.

ADJOURNMENT

There being no further business to come before the Board, the Chair adjourned the meeting at 6:08 p.m.

LUISA M. PARK, Executive Officer